

Clean Energy and Climate Change Response in California: The Nexus between Policy and RD&D

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California's Long Path to Clean Energy 1970-2007

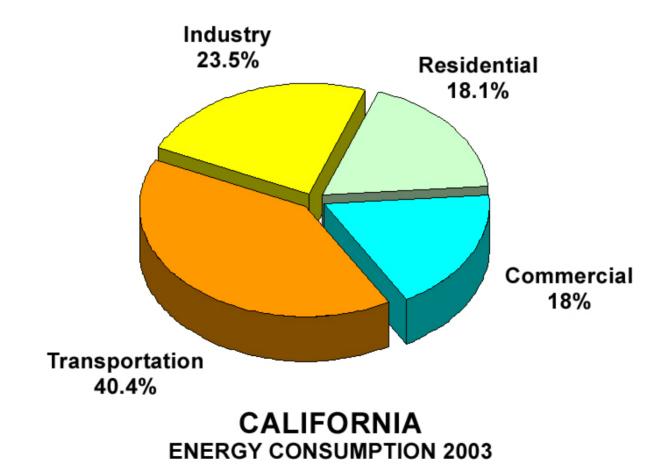


- 1971 CARB automotive NO_x standards
- 1978 No new nuclear power without permanent storage
- 1982 IOU rates of return decoupled from volumes; Building and Appliance efficiency standards created with updates every three years; utility efficiency incentive programs established
- 1991 CARB establishes specifications and properties of reformulated, low emission gasoline.
- 1996 PUC recommends electricity deregulation plan.
- 1997 SB 90 deregulates IOUs and creates Public Interest Energy Research (PIER) program.
- 2002 Legislature enacts "the Loading Order" following 2001 Deliverability crisis. Deliver on new demand with 1) Efficiency and Demand Response, 2) Renewables, and 3) Clean Fossil Generation and Distributed Generation.
- 2003 Renewables Portfolio Standard enacted.
- 2005 PUC orders \$2.2B, 3 year Efficiency procurement for the IOUs.

An Abbreviated Chronology

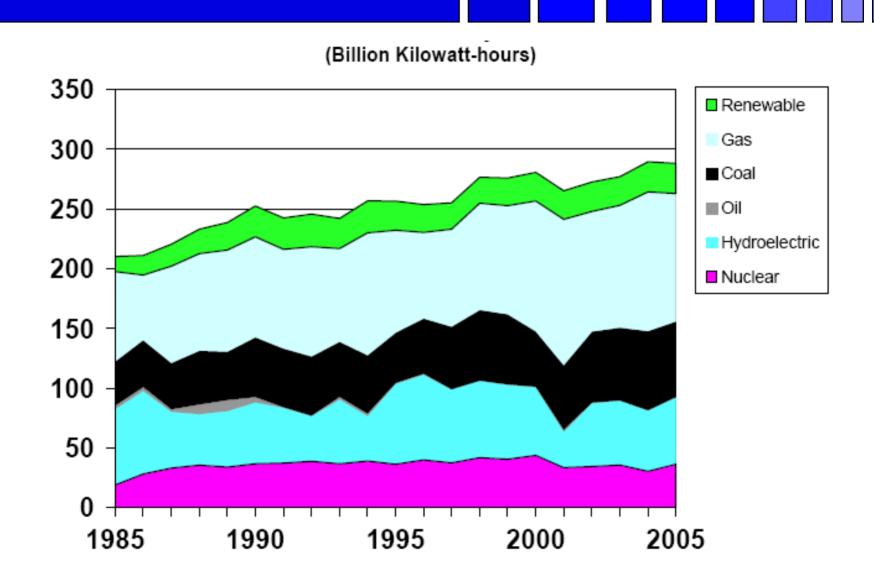
Where is California's Energy Used





Historical California Electric Energy Resources

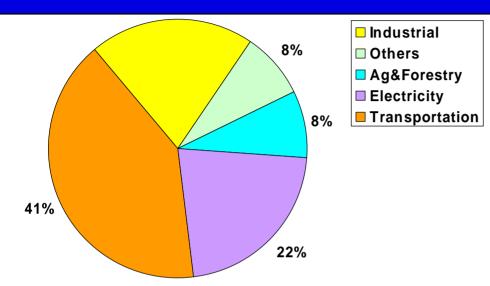




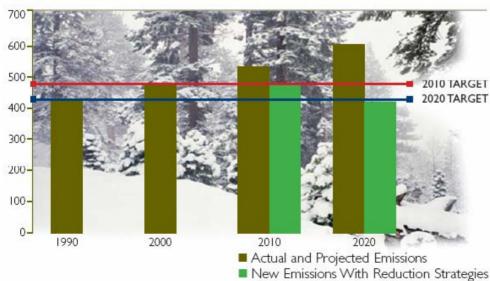
Ferguson, CEERT, March 2, 2007 before the CPUC

California Responds to Global Warming 2000 - 2007





California Carbon Dioxide Emissions by Energy Sectors, 2004 ~400 million metric tons carbon dioxide



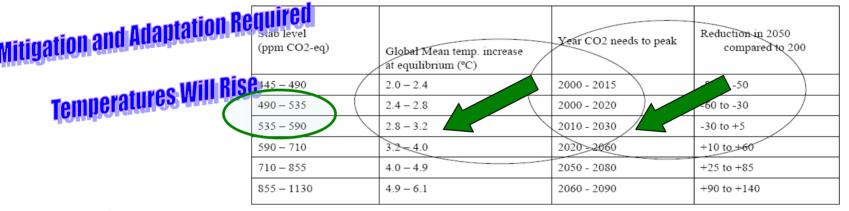
- In 1988 GHG impacts review mandated
- In 2000, the California Greenhouse Gas Registry was established
- In 2002 AB1493 (Pavley) mandates 30% reduction GHG emissions in new light duty vehicles by 2016
- In 2005, AB 1007 requires plan to replace gasoline use with low carbon alternatives.
- AB 32 Global Warming Solutions Act of 2006; aggressive goals for 2020
- SB 1368 GHG Emissions standards for IOUs and POUs
- AB 2021 Energy Efficiency for POUs
- AB 2160 Green Building Acquisition Financing for State Facilities
- SB107 Accelerated RPS Goals 20% by 2010
 - SB1 Renewables Goals for New and Existing Residential and Commercial Structures
- AB 2778 Self-Generation Incentive Program for Fuel Cells and Wind
- SB 1250 PIER and Renewables Incentive Programs Reauthorized
- In 2007, Governor mandates development of Low Carbon Fuel Standard.

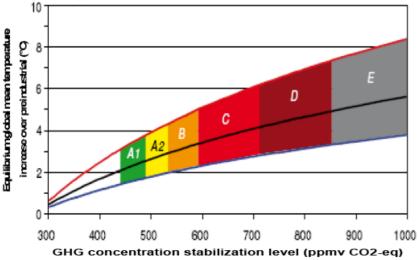
IPCC Fourth Assessment - Mitigation WG3





In order to stabilize the concentration of GHGs in the atmosphere, emissions
would need to peak and decline thereafter. The lower the stabilization level, the
more quickly this peak and decline would need to occur. Mitigation efforts over
the next two to three decades will have a large impact on opportunities to
achieve lower stabilization levels (high agreement, much evidence).





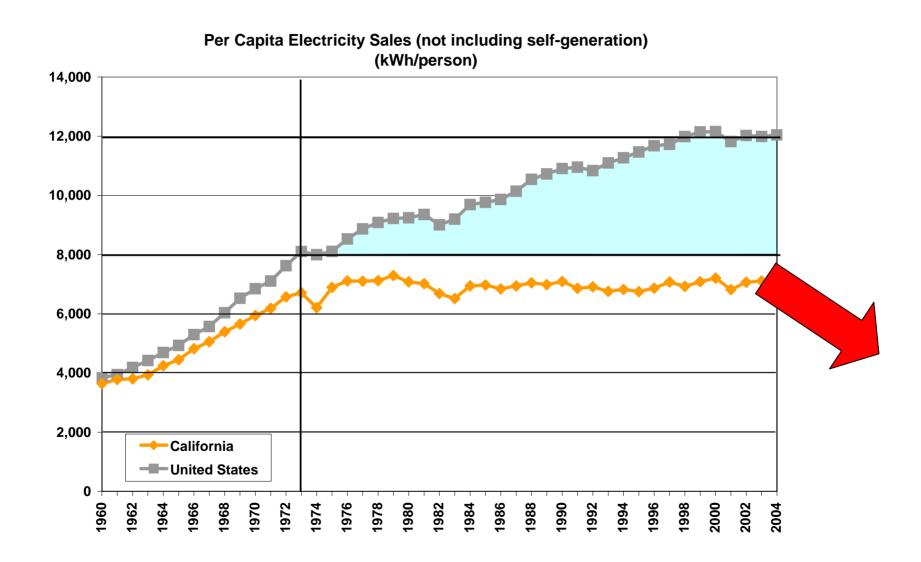
550ppm concentration CO2eq Represents 2X Pre-Industrial Levels

To Maintain 550ppm Requires that Emissions Peak between 2010 and 2030

The World is Committed to Significant Temperature Increases of ~ 3°C

Per Capita Electricity Use Needs to Decline Even In California

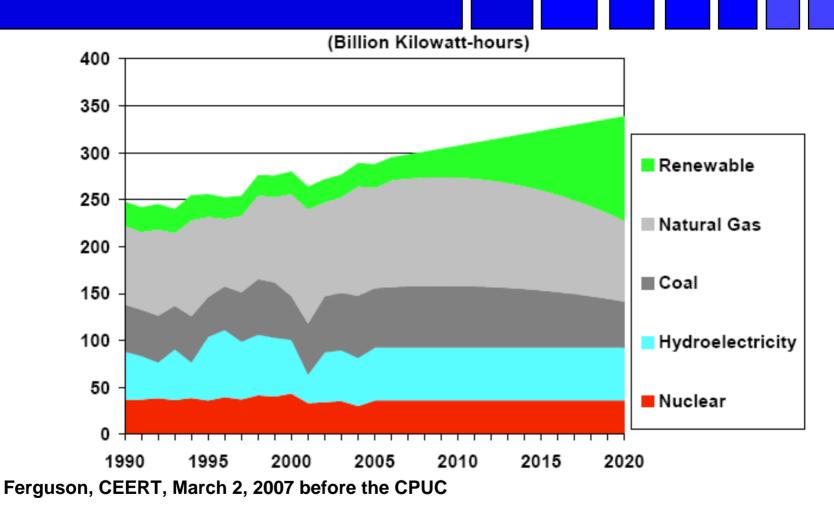




California Electricity, All Resources

Possible AB 32 scenario - equal CO2 emissions from coal and gas

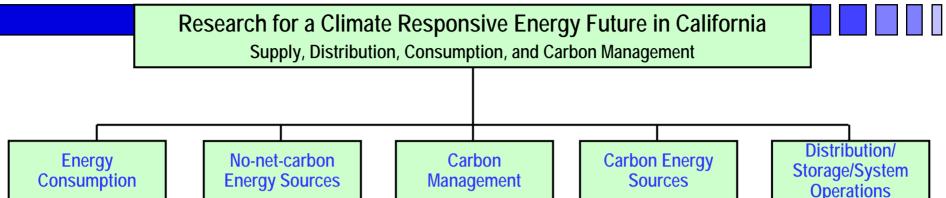




Meeting California's 2020 Emissions Goals in the Electricity Sector Will Present Major Technical and Institutional Challenges

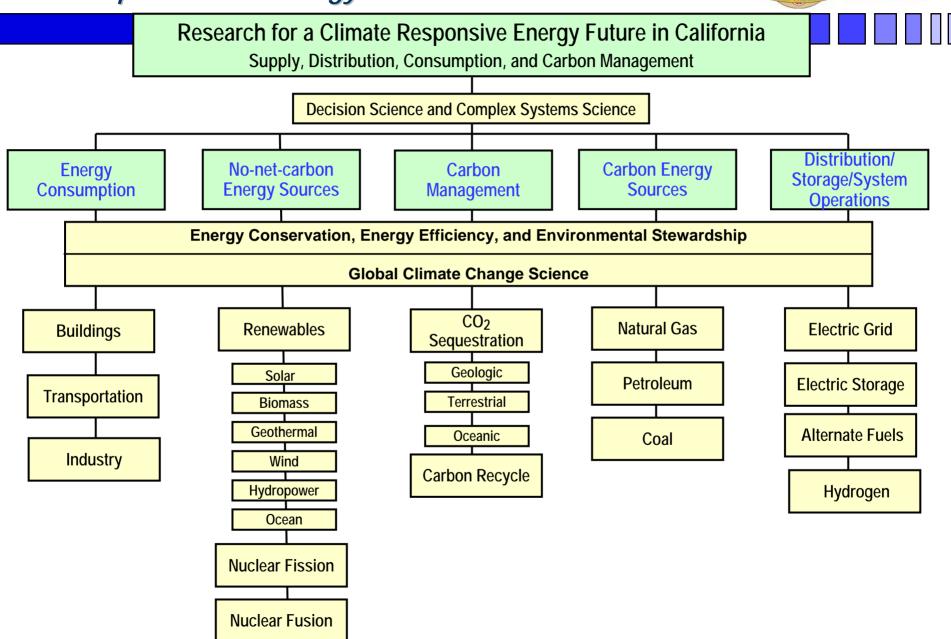
Comprehensive Energy RD&D Framework in the Manner Of the Department of Energy





Comprehensive Energy RD&D Framework in the Manner Of the Department of Energy





SB 1250 Reauthorized PIER in 2006 and Established Solution- Focused Goals



General Goal

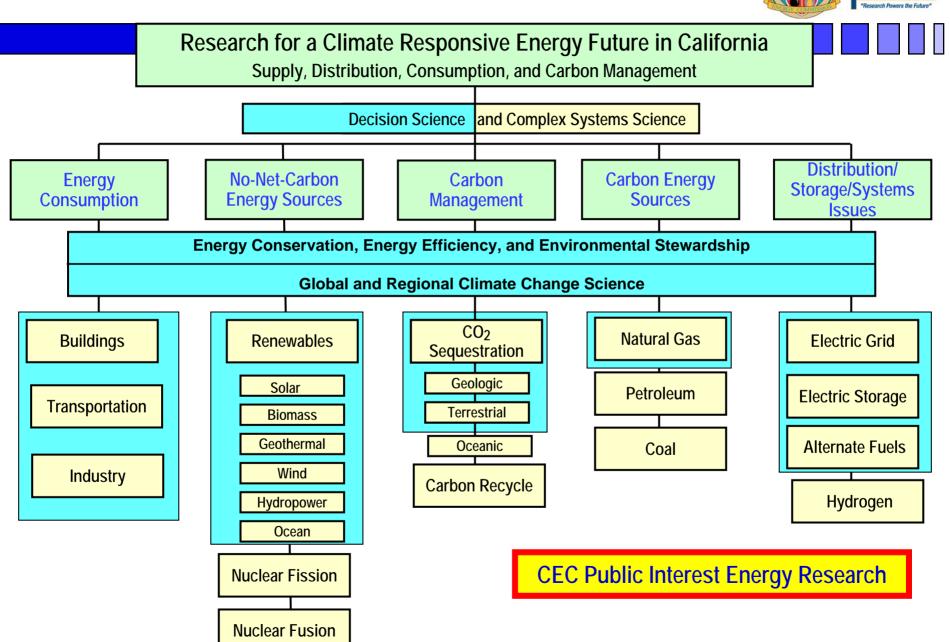
 "Develop and help bring to market, energy technologies that provide increased environmental benefits, greater system reliability, and lower system costs"

Specific Goals

- Develop and help bring to market
 - "Advanced transportation technologies that reduce air pollution and greenhouse gas emissions beyond applicable standards, and that benefit electricity and natural gas ratepayers.
 - "Increased energy efficiency in buildings, appliances, lighting, and other applications beyond applicable standards, and that benefit electric utility customers.
 - "Advanced electricity generation technologies that exceed applicable standards to increase reductions in greenhouse gas emissions from electricity generation, and that benefit electric utility customers.
 - "Advanced electricity technologies that reduce or eliminate consumption of water or other finite resources, increase use of renewable energy resources, or improve transmission or distribution of electricity generated from renewable energy resources."

Comprehensive Energy RD&D Framework for California







Thank You

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